



YumChina

FORTIFYING RESILIENCY, ACCELERATING GROWTH

2021 YUMC INVESTOR DAY

Andy Yeung

Chief Financial Officer

Cautionary Statements



Forward-Looking Statements. This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as "expect," "expectation," "believe," "anticipate," "may," "could," "intend," "belief," "plan," "estimate," "target," "predict," "project," "likely," "will," "continue," "should," "forecast," "commit," "outlook" or similar terminology. These statements are based on current estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements include, without limitation, statements regarding the future strategies, growth, business plans, investment, dividend and share repurchase plans, earnings, performance and returns of Yum China, anticipated effects of population and macroeconomic trends, the expected impact of the COVID-19 pandemic, the anticipated effects of our innovation, digital and delivery capabilities and investments on growth and beliefs regarding the long-term drivers of Yum China's business. Forward-looking statements are not guarantees of performance and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results or events to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or assumptions will be achieved. The forward-looking statements included in this presentation are only made as of the date of this presentation, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. Numerous factors could cause our actual results or events to differ materially from those expressed or implied by forward-looking statements, including, without limitation: whether we are able to achieve development goals at the times and in the amounts currently anticipated, if at all, the success of our marketing campaigns and product innovation, our ability to maintain food safety and quality control systems, changes in public health conditions, including the COVID-19 pandemic and regional resurgences, our ability to control costs and expenses, as well as changes in political, economic and regulatory conditions in China. In addition, other risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q) for additional detail about factors that could affect our financial and other results.

Non-GAAP Measures. This presentation includes certain non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this presentation where indicated. You are urged to consider carefully the comparable GAAP measures and reconciliations.

Market and Industry Data. Unless we indicate otherwise, we base the information concerning our industry contained on this presentation on our general knowledge of and expectations concerning the industry. Our market position and market share is based on our estimates using data from various industry sources and assumptions that we believe to be reasonable based on our knowledge of the industry. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness. Trademarks, logos, service marks, materials, designs and other intellectual property used in this presentation are owned by Yum China Holdings, Inc. and its affiliates, or their use has been officially authorized by their respective owners. This presentation also may refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

"百胜" and "百胜" are registered trademarks in the People's Republic of China (excluding HKSAR, Macau SAR and Taiwan).



YumChina

R

G

M

Solid Track Record and Proven Resiliency

	From 2016 to 2019		From 2019 1H to 2021 1H	
	Total growth	CAGR	Total growth	2-year growth %
Store count ¹	+1,638	+7%	+1,624	+19%
Revenue ²	+\$1.7 bn	+7%	+\$0.6 bn	+13%
Operating Profit ²	+\$267 mn	+12%	+\$68 mn	+13%

1. Total growth of store count from Jan. 1, 2017 to Dec. 31, 2019 and from July 1, 2019 to June 30, 2021. Excludes the consolidation of Huang Ji Huang.

2. Total growth of revenue and operating profit 2019 vs 2016 and 2021 1H vs 2019 1H in reported currency. includes the consolidation of Huang Ji Huang since April 2020, and Suzhou KFC since August 2020

3. General note - \$ refers to US Dollar in the presentation



YumChina

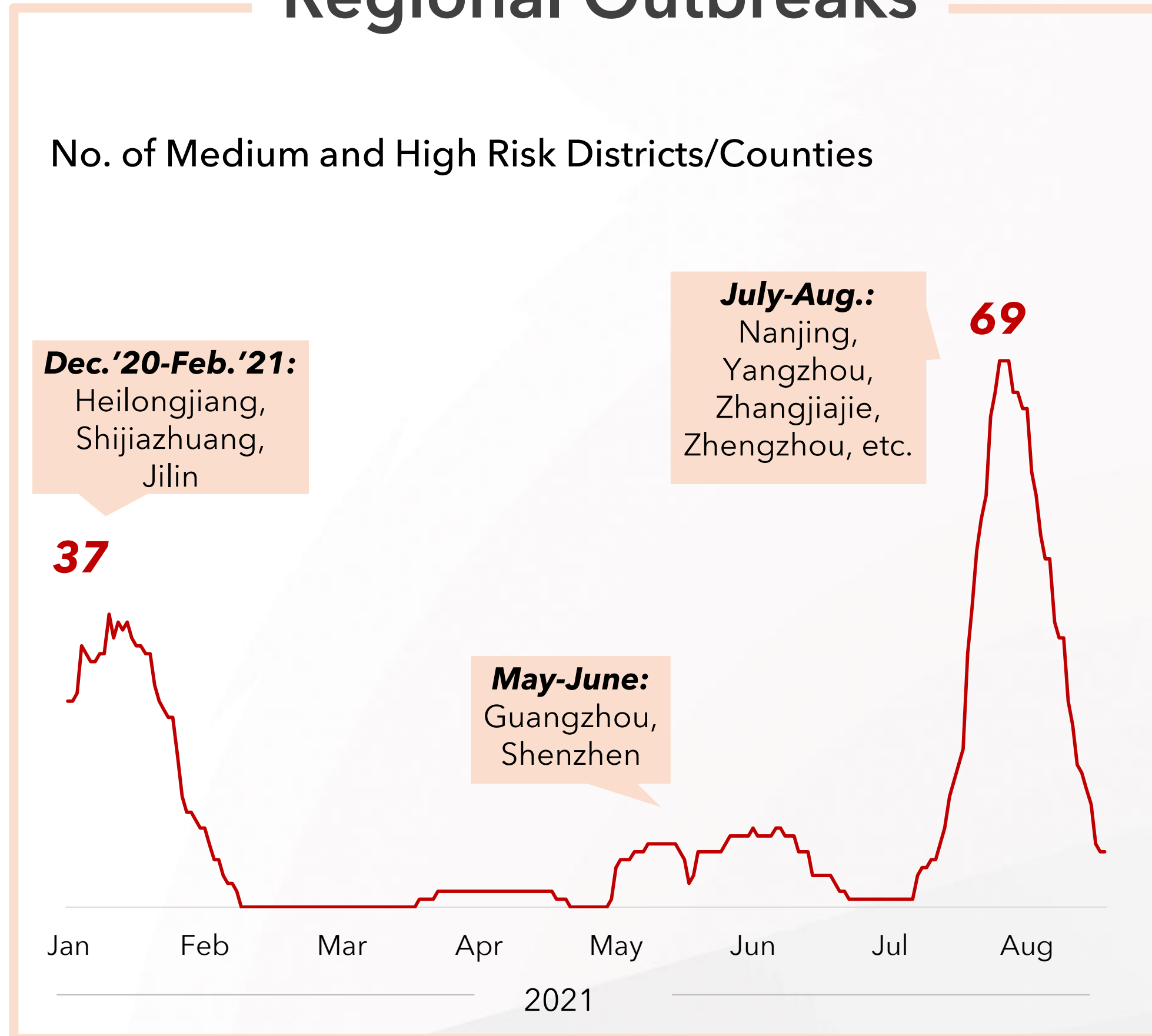
R

G

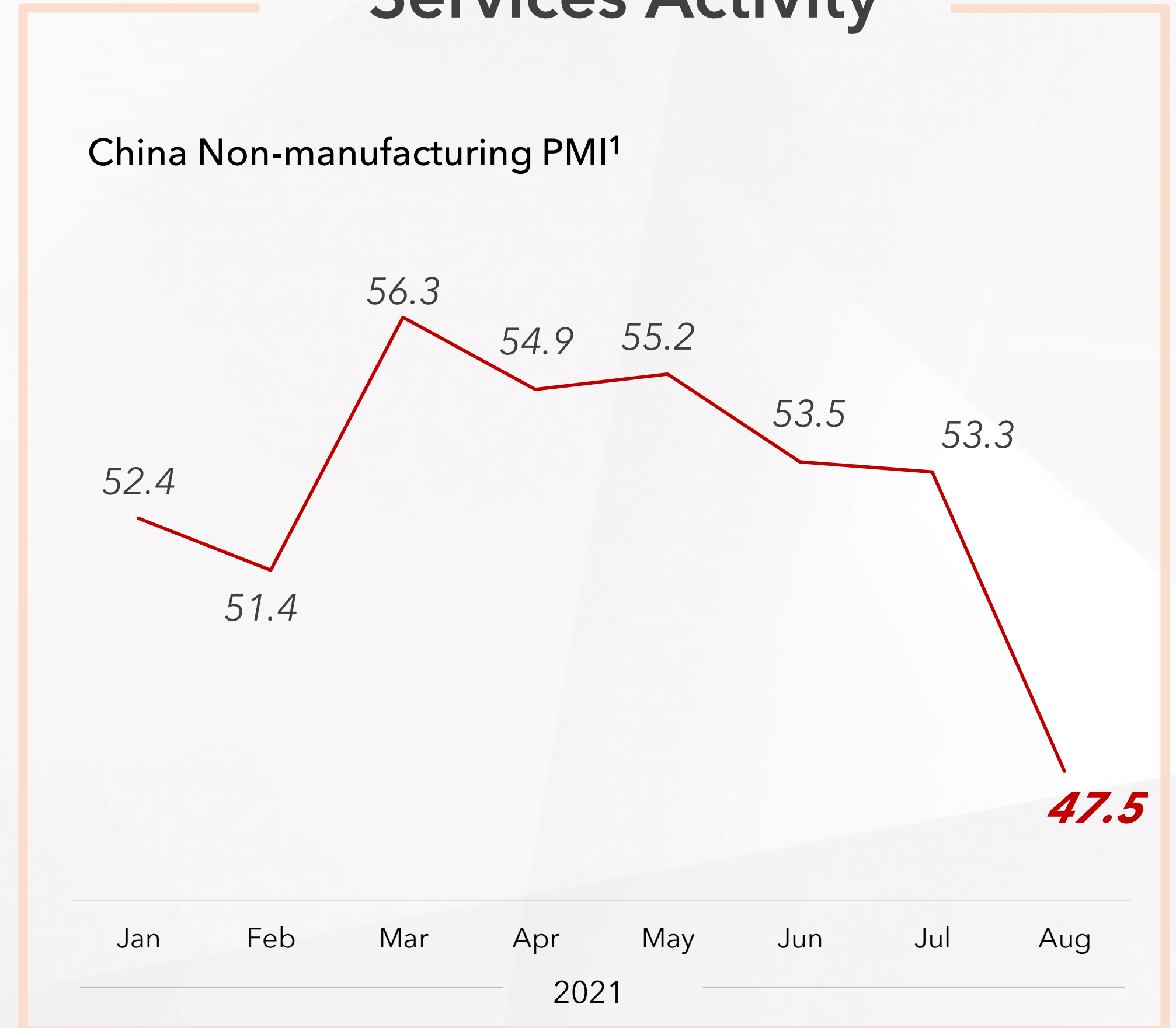
M

Resiliency Helps Mitigate Short Term Challenges

Regional Outbreaks



Services Activity



Source: National Bureau of Statistics of China, National Health Commission of China, General Office of the State Council of China, consolidated by Yum China
 1. Non-manufacturing purchasing managers' index



YumChina

R

G

M

Innovation Drives Sales Growth

Digital

~20% ~55% ~85%

2017 2019 2021 1H

Digital ordering

~29% ~52% ~61%

2017 2019 2021 1H

Member sales %

2x

Member vs non-member
ARPU in 2021 1H



Off-Premise

>50%

Off-premise % of sales
2021 1H

+64%

Delivery sales growth
2021 1H vs 2019 1H

+21%

Delivery city coverage
2021 1H vs 2019 1H



New Retail

~RMB200 mn

Sales
2021 1H¹

70+

SKUs as of
Aug. 31, 2021¹

~2-3%

Sales mix at KFC's
best-selling regions
(Aug. 2021)



1. Include KFC, Pizza Hut and Soul Fun



YumChina

Develop New Runway for Growth



R

G

M

~2-3%

Beef burger sales mix
May-Aug. 2021



180,000

Juicy whole chicken sold
within a week in Aug. 2021



+50%

Tea drinks cups sold
2021 1H vs 2019 1H



+45%

Steak pieces sold
2021 1H vs 2019 1H



>10x

One person meal set
2021 1H vs 2019 1H





YumChina

R

G

M

Focus on Driving Long Term Growth

1

Accelerate growth of
KFC and Pizza Hut



2

Develop Coffee as the
third growth engine



3

Invest ahead to
widen strategic moat





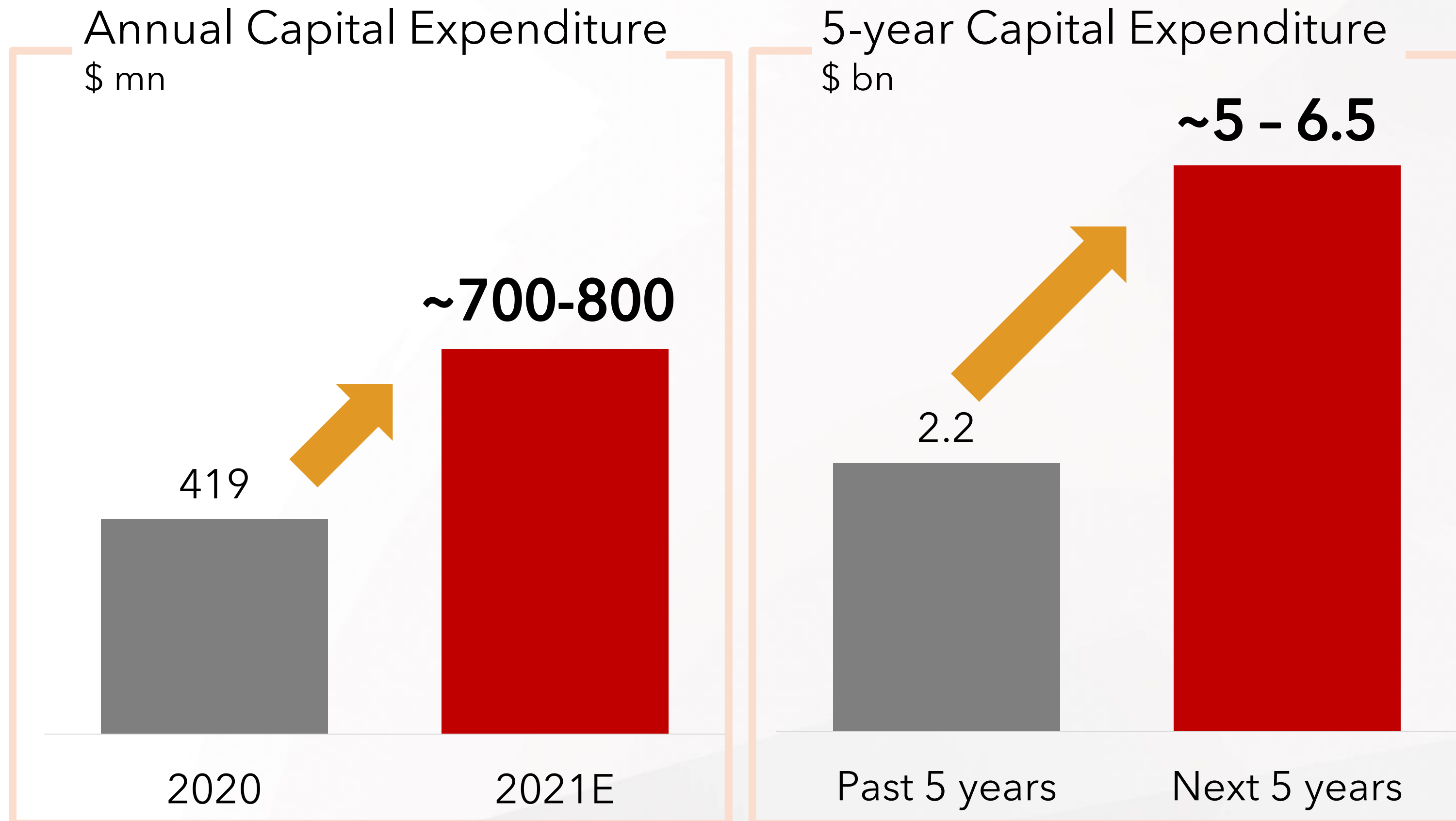
YumChina

R

G

M

Stepping up Capex to Support "RGM"



New unit development

Store remodeling

Emerging brands

Supply chain and infrastructure

Digital and technology



YumChina

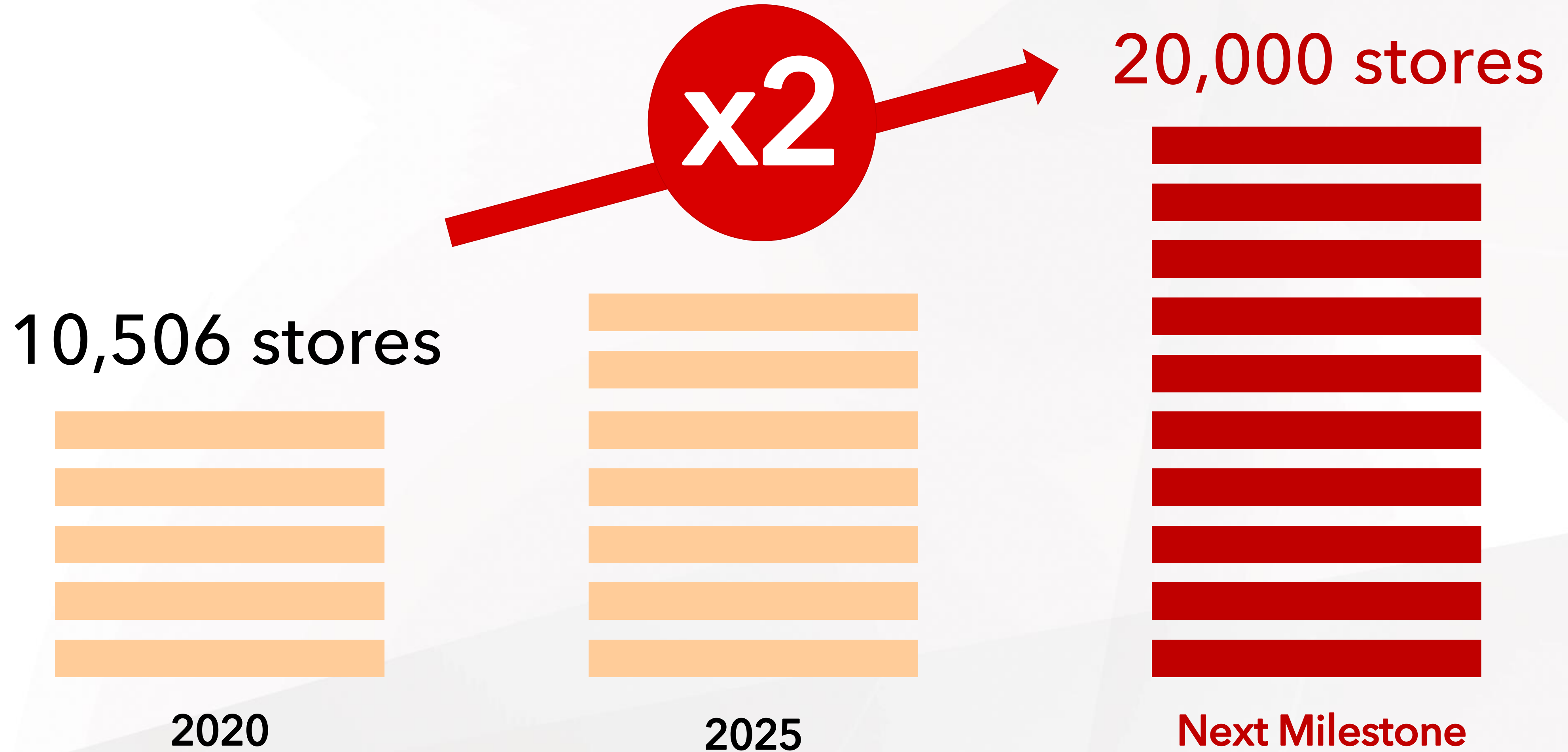
R

G

M

Aggressive Store Expansion Plan

In 5 years:
\$2-2.5bn





YumChina

R

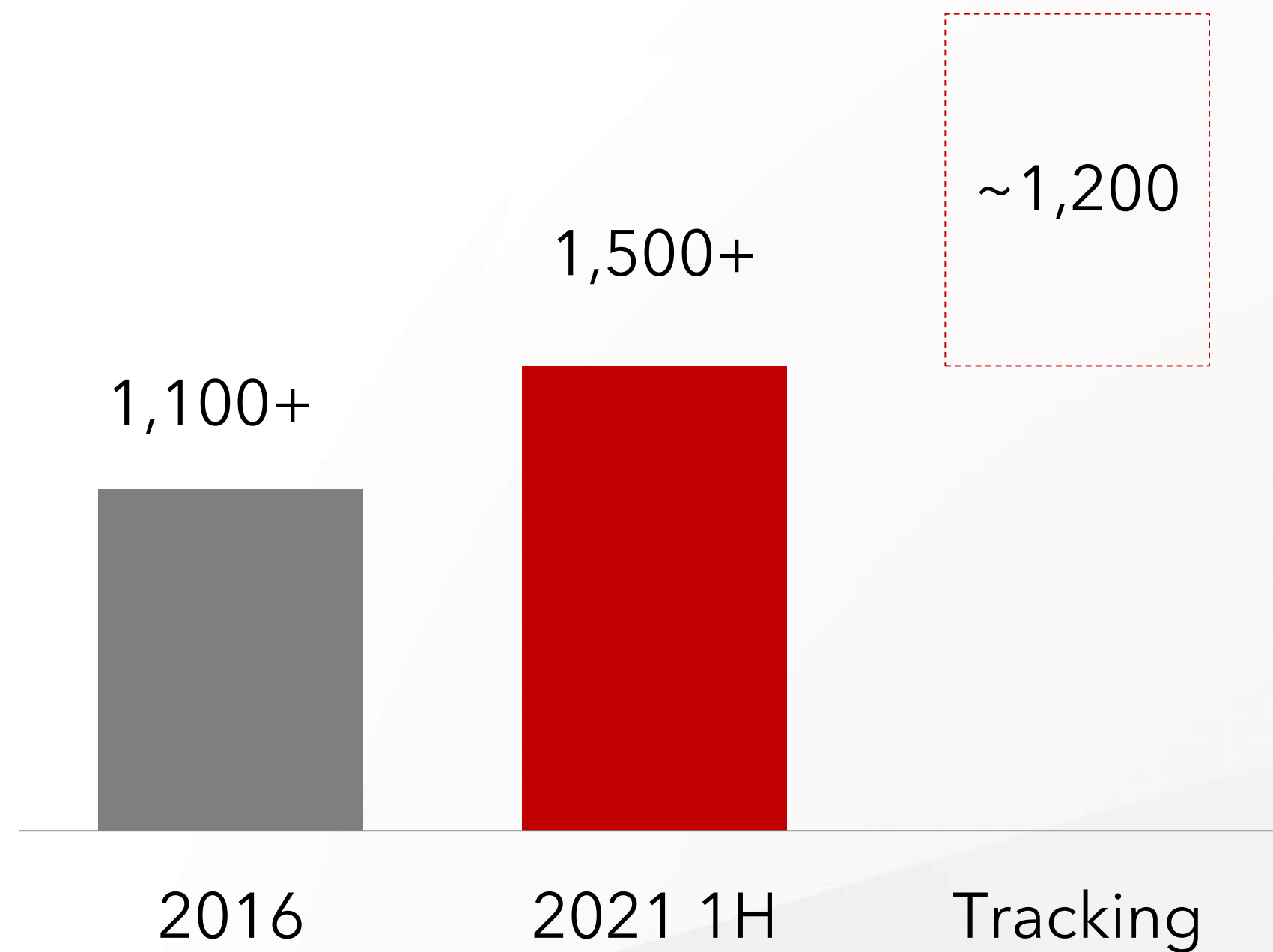
G

M

Increasing Store Density and City Penetration

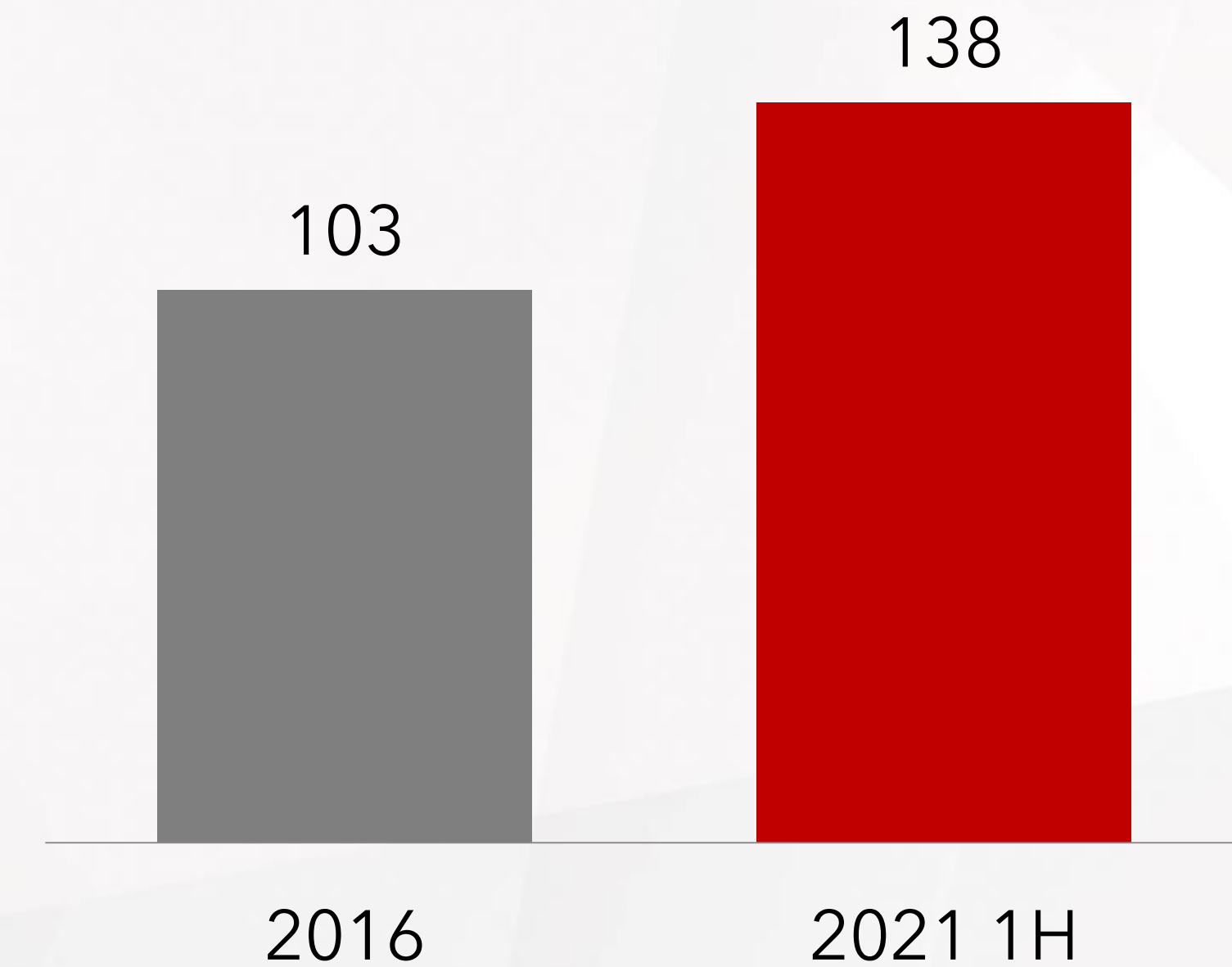
Expand city coverage

No. of cities with KFC



Increase store density

Average no. of stores in each T1-2 cities





YumChina



R

G

M

Disciplined Approach to Store Network Expansion

New Store Economics (Per store)

	Stores opened during Oct. 2016-Sep. 2017 ¹	 New stores opened in 2019 ²	Stores opened during Oct. 2016-Sep. 2017 ¹	 New stores opened in 2019 ²
Average pre-tax Cash Payback Period	~2 years	~2 years	<4 years	~3-4 years
Cash investment ³ (RMB mn)	~2.5	~2.4	~2.6	~2.1
Annual sales (RMB mn)	~6.0	~5.4	~5.3	~4.2
Cash Margin	~23%	~22%	~15%	~15%

Performance of new stores in the first year after honey-moon period :

1. Stores opened in Oct. 2016 to Sep. 2017: mentioned during 2019 investor day
2. Stores opened in 2019
3. Includes VAT



YumChina

R

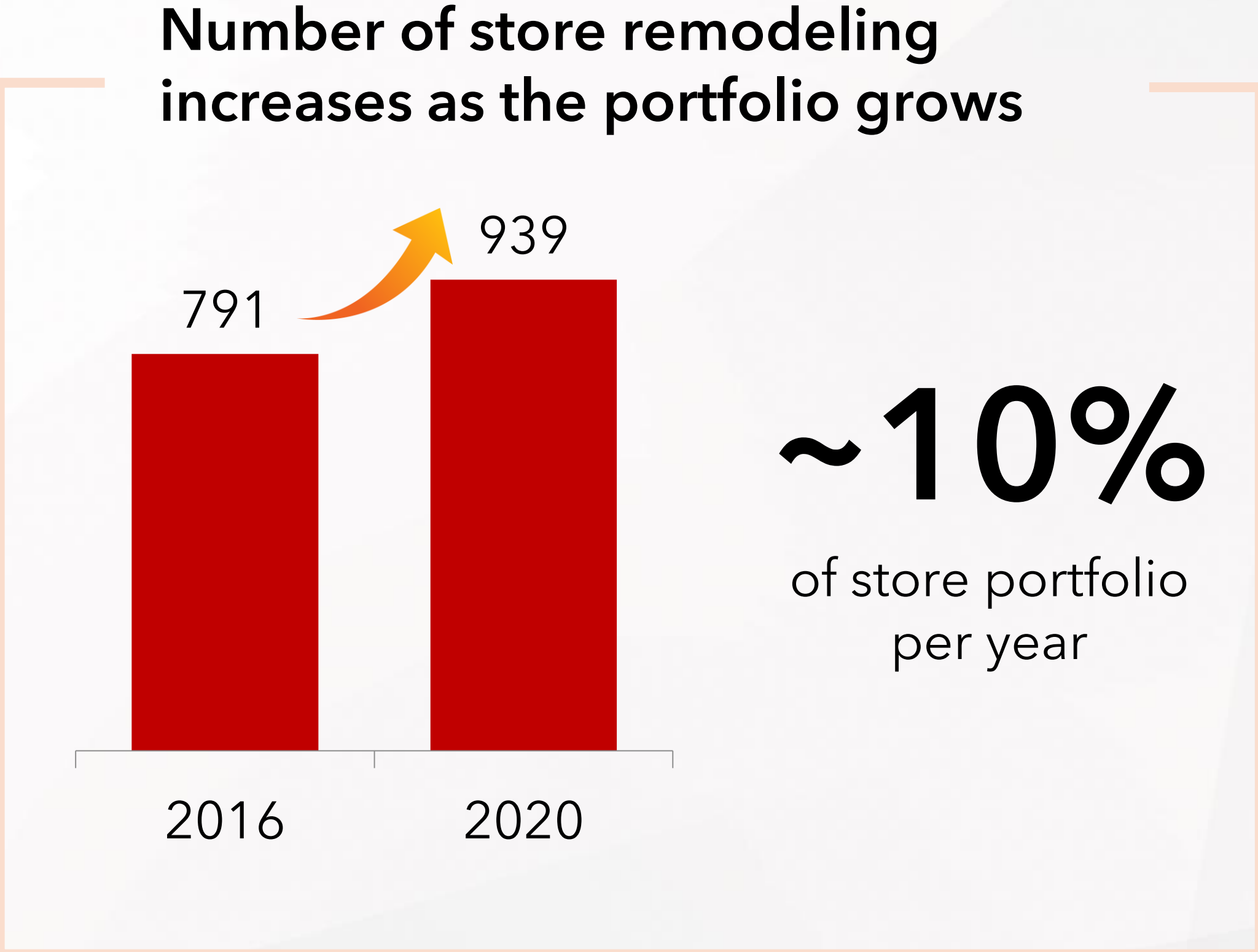
G

M

Keeping Stores Fresh

In 5 years:
~\$1bn

- Flexible Remodels
- Full Remodel
- Partial Remodel
- Store Refresh



Maintain target

~3 years

Average period since last remodel or opening



YumChina

R

G

M

Investing in Emerging Brands

- Joint venture with Lavazza
- Initial funding of \$200 mn
- YUMC owns 65% of JV
- 1,000 Lavazza stores by 2025
- Distribute retail coffee products in China





YumChina

R

G

M

Enhancing Supply Chain & Infrastructure

In 5 years:
\$1-1.5bn

Farm-to-fork
digitalization

Net Zero
greenhouse gas
emissions

Expand
logistics
network

Enhance
operations

More
automation

Other capital
projects

✓ Support 20,000 store
network

✓ More agile and efficient
operations

✓ Create a more sustainable
& responsible ecosystem



YumChina

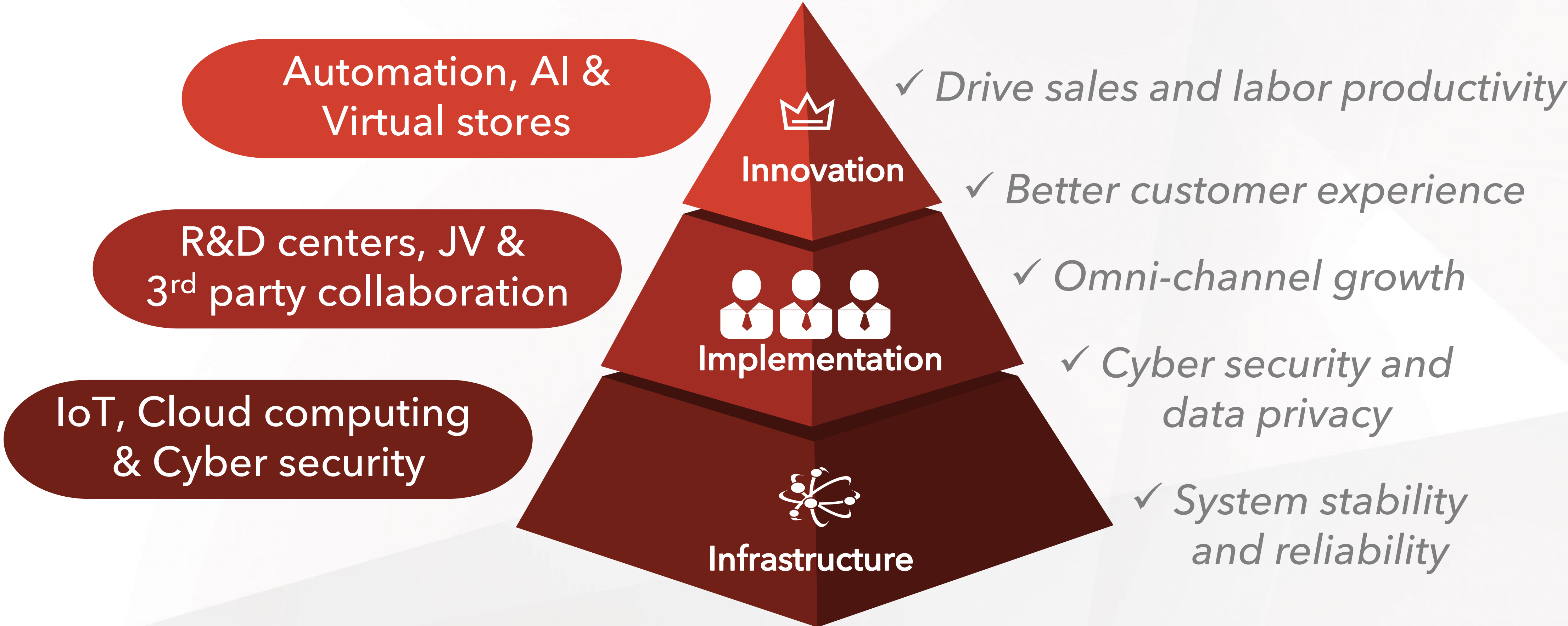
R

G

M

Strengthening Technology & Digital Moat

In 5 years:
\$1-1.5bn





YumChina

Strong Cash Flows Support Business Growth



Operating
Cash Flows
2017-2020



Average Operating
Cash Flows Conversion¹
2017-2020



Free Cash Flows
2020 vs 2016

1. Operating cash flows divided by Adjusted EBITDA in reported currency



YumChina

Committed to Return to Shareholders

~\$1.3 bn

Cash return to
Shareholders since
spin-off¹

✓ Quarterly dividends

✓ Share repurchases

1. From Jan. 1, 2017 to June 30, 2021



YumChina

Long Term Potential

System Sales
Growth

Operating Profit
Growth

EPS
Growth

HIGH SINGLE TO DOUBLE DIGITS¹

1. In constant currency

Appendix



YumChina

Operating Cash Flows Conversions

<i>\$ mn</i>	2017	2018	2019	2020
Net Income - Yum China Holdings, Inc.	398	708	713	784
Net Income-noncontrolling interests	26	28	30	29
Income tax provision	379	214	260	295
Interest income, net	(25)	(36)	(39)	(43)
Investment (gain) loss	-	27	(63)	(104)
Operating profit	778	941	901	961
Special Items, Operating Profit	(3)	(86)	11	(229)
Depreciation and Amortization	409	445	428	450
Store impairment charges	58	40	38	66
Adjusted EBITDA	1,242	1,340	1,378	1,248
Operating Cash Flow	884	1,333	1,185	1,114
Operating Cash Flows Conversions	71%	99%	86%	89%

Percentages may not recompute due to rounding



YumChina